NEWS BLOG

PayPal co-founder's Breakout Labs issues first grants

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Companies pursuing new ways to store organs, image the brain and capture positrons are among the first six firms that will be funded by PayPal co-founder Peter Thiel's Breakout Labs programme.

Thiel conceived of Breakout Labs to try to remedy what he sees as a failure of imagination in modern scientific and technological innovation: "We wanted flying cars; instead we got 140 characters," reads the website of the Founders Fund, a venture-capital firm of which Thiel is the managing partner, in a reference to the microblogging service Twitter.

Breakout Labs, run by the Thiel Foundation based in San Francisco, California, was announced in November and awards grants of up to US$350,000 each to companies that "dream big and want to build a tomorrow in which we all want to live," Thiel said in a press release. The programme aims "to fill the funding gap that exists for innovative research outside the confines of an academic institution, large corporation, or government."

Companies funded in this first round of grants span the gamut of scientific experience. Immusoft, a Seattle, Washington-based company that engineers immune cells, was spun out of Nobel laureate David Baltimore's lab at the California Institute of Technology in Pasadena, and Inspirotec, based in Chicago, is an air-analysis company that was co-founded by Julian Gordon, a developer of the Western-blot technique that is widely used in protein analysis.

But 3Scan, a San Francisco-based company developing a microscope to image the brain in three dimensions much more quickly than conventional techniques, is led by Todd Huffman, who left his doctoral neuroscience studies to commercialize the microscope after its inventor, Bruce McCormick, died in 2007.

Arigos Biomedical is developing ways to cool organs so they might one day be stored and banked for transplants. Longevity Biotech is making drugs using an "artificial protein technology" platform spun out of a lab run by Samuel Gellmann at the University of Wisconsin, Madison. And Positron Dynamics aims "to enhance the production and collection of positrons" that could one day be used in medical imaging or in space travel.

Breakout Labs executive director Lindy Fishburne says that the first six grantees were chosen from among roughly 200 applicants. The grants are intended to to fund companies that are too new to receive venture funding and do not yet have enough data to compete successfully for federal grants.

"We want our reviewers to give their evaluation of the team and of the science they're proposing, and of how meaningful the scientific advance would be if they are successful," Fishburne says, adding that "there's a a bit more freedom around the review process" than at agencies such as the US National Institutes of Health (NIH).

Breakout Labs applicants find out within two weeks of submitting a proposal whether it will be reviewed. External groups of two reviewers then review each proposal that advances, and applicants hear a final decision from the foundation with eight weeks.

"In many cases the Breakout Labs money may be the first money that allows these companies to live while they're applying for NIH grants and other funding," Fishburne says.

Breakout Labs will award up to $5 million this year on a rolling basis. It does not allow researchers to spend its money on university overhead costs. Grantees keep all of the intellectual property developed during their project. They agree to give the programme a cut of any earnings through warrants and royalties, in hopes that this will allow the revolving fund to continue awarding grants, and to publish their work in open-access journals.

"Our success will be based on the success of these companies," Fishburne says. "We hope that they can build out their science in a way that has commercial value."

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